



Script Details

BSE Group	A
BSE Code	532749
NSE Code	ALLCARGO
Bloomberg Code	AGLL IN
Market Cap (INR Cr.)	11,113
Free Float (%)	30.1%
52wk Low/High	458/250
Beta (1yr Nifty 50)	1.09
Face Value (INR)/ D. Yield (%)	2/0.7
Total paid Up Shares (Mn.)	245.7

Share Holding Pattern (%)

Promoters	Public	Others
69.9%	30.1%	-

Share Price Relative Performance



ALLCARGO LOGISTICS LTD.

Buy at CMP: Rs 452 | Target: Rs 528 (17%) | SL: Rs 390

Sector

Nov 14, 2022

Logistics

Allcargo Logistics Limited is the global leader in LCL consolidation and India's first and largest integrated logistics solutions provider, in the private sector. It creates services that are innovative and adaptable towards the supply chain needs. The company designs special logistics solutions for challenging projects at the most difficult and unreachable terrains, with the use of its high end expertise such as portable bridges, pontoon ferries

Investment Rationale

- ◆ **Integrated Logistics Company with Diversified Income Profile:** Company Operates in Multiple Channels of -MTO, CFS/ICD, P&E, domestic mid-mile and last-mile logistics through Gati, and LPs where it has ventured recently. Furthermore, it also provides solutions in high growth contract and e-commerce logistics. The recent addition of Gati's strong domestic network set to further improve its business risk profile. The various acquisitions made in past provides diversified revenue stream for Allcargo.
- ◆ **Market Share to Improve With stable Financials and Acquisitions :** The will placed Financial Positioning of Allcargo aids to gain a market share over the smaller players and acquire customers due to the financial constraints of smaller players to absorb the high freight costs. The market penetration of company has improved in the Scandinavian region with the acquisition of Nordicon. The consolidated business volumes stood at 952,000 twentyfoot equivalent units (TEUs) for FY22.
- ◆ **Established Track Record and Experienced Management:** Company's Promoter Mr. Shashi Kiran Sheety is Vastly experienced with more than three decades in the sector. Mr. Shetty guided Allcargo group's entry into verticals that include container freight stations in 2003, contract logistics in 2016, and logistics parks in 2018. In 2005, he steered the acquisition of the global non-vessel operating common carrier ECU-Line. Company continue to benefit from the experienced promoters.
- ◆ **Outlook and Valuations:** We estimate a 8% CAGR in Topline over FY22-25E, which implies a forward PE (x) of 11.1 for FY 25E. We value it with a earnings multiple of 13x to FY25 earnings estimate which results per share value of Rs 528. We recommend BUY on ALLCARGO at CMP of Rs. 452 with Target price of Rs. 528 (17%).

Financial Snapshot

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY22	22,620	1,820	1,057	10.5	6.2
FY23E	24,430	1,832	855	13.0	6.3
FY24E	26,384	1,979	923	12.0	5.8
FY25E	28,495	2,137	997	11.1	5.4

Source: Company Data, Ace Equity, GEPL Research

TECHNICAL VIEW

Observation

- ALLCARGO is currently trading near its record high level which tells that the stock already is in strong momentum.
- Prices after the breakout from the rounding bottom pattern in first week of September 2022 have retested the neckline multiple times before reaching to record highs this week, this points towards the continuation of the prior uptrend.
- The Breakout is confirmed to be true as it was accompanied by higher volume participation.
- The bounce on the upside was preceded by the prices taking support from the 11 weeks EMA, which had acted as a brilliant variable support to the prices in the prior uptrend.
- The RSI on the weekly timeframe have shown a breakout at the higher levels of 70, reflecting strong momentum in the stock.



TradingView

Inference & Expectations

- Post breakout, the stock has gained strong momentum.
- Going ahead we expect the prices to go higher till the 550 level
- The stop loss must be at 390 on the closing basis.

Source: Tradingview.in, GEPL Research



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